

25X1A2d1

~~SECRET~~

16 December 1959

MEMO TO: Chief of Station

THRU : Chief of Operations

~~CONFIDENTIAL~~

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SUBJECT: Check Cashing - [REDACTED]

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1. On or about 1 July 1959, [REDACTED] stated to the undersigned that he had difficulty with a bad check at one of the local clubs. He stated that the difficulty had been cleared up, but that since the one check had him blacklisted, he asked if we would cash his checks through KUBARK channels. I told him that as long as he had the funds in the bank we would make an exception to our general policy on check cashing and cash his checks. This arrangement continued from July to the present time and all checks cleared the bank. Little attention was paid to the fact that in October and November the checks increased in number and amount. During this period his Headquarters bank deposits were supplemented with a credit union loan which he received in the field but transferred to his bank by money orders. In December the check cashing snowballed and in a two week period he cashed \$1,400.00 in a very discreet manner. At least the last three checks were cashed when the undersigned was out to lunch. On 15 December the cashier mentioned that [REDACTED] cashed another \$300.00 check. I immediately went to see the Deputy Chief of Station and the Chief of Support with a brief analysis of the check cashing transactions. After discussion an investigation was started with the Security Officer acting as the investigator.

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2. I was aware of the regulations regarding check cashing, and [REDACTED] has been the only Staff Employee at the Station who was permitted to cash all personal checks through KUBARK facilities. Other checks that have been cashed through our facilities represent military personnel under the new pay system, Station personnel departing TDY or PCS, to clear advances, and occasional checks for personal reasons.

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[REDACTED]  
Finance Officer

Distribution:

- 1 - COS
- 1 - Security
- 1 - Finance

ENCLOSURE # 2

TO [REDACTED]

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